

## **Subpart D—Conditions on Acceptance/Use of Federal Money**

### **§ 84.40 What conditions must I follow to accept Federal grant money?**

(a) The audit requirements for State and local governments (43 CFR part 12), and

(b) The uniform administrative requirements for grants and cooperative agreements with State and local governments (43 CFR part 12).

### **§ 84.41 Who prepares a grant agreement? What needs to be included?**

The coastal State and the Fish and Wildlife Service work together to develop a Grant Agreement (Form 3-1552) upon completion of the review by the Regional Director to determine compliance with applicable Federal laws and regulations. The Grant Agreement includes the grant title, the grant cost distribution, the agreement period, other grant provisions, and special grant conditions. If a Coastal Barrier Unit is affected, the Service must conduct internal consultations pursuant to Section 6 of the Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act, prior to providing any grant monies to that State.

### **§ 84.42 What if a grant agreement is not signed?**

Monies that have been allocated for a grant will be held until December 31 of the following year. If a grant agreement has not been signed by the State and the Service and, therefore, the money has not been obligated for the approved grant by that date, the funds automatically are returned to the Program account in Washington.

### **§ 84.43 How do States get the grant monies?**

Funding to States is provided on a reimbursable basis. See § 84.47 for information on what costs can be reimbursed. The Service may reimburse the State for projects completed, or make payments as the project progresses. For construction work and labor, the Service and the State may jointly determine, on a case-by-case basis, that payments may be made in advance. We will minimize the time elapsing be-

tween the transfer to the State and the State's need for the funds, and the time period will be subject to a specific determined need for the funds in advance. Except for extenuating circumstances, a reasonable time period to advance funds to a State is up to 3 days. OMB Circular A-102, Parts II and III, 43 CFR part 12, and 31 CFR part 205 provide specific information on methods and procedures for transferring funds.

### **§ 84.44 What is the timetable for the use of grant money?**

Once money is granted to the coastal States, the money is available to those States for the time designated in the grant agreement. If a State needs more time, the State must apply for an extension of time by amending the grant agreement. If the Service does not extend the time, the unobligated monies return to the Service for expenditure on future grants. Also, if a State cannot spend the money on the approved project, the State must notify the appropriate Regional Director as soon as possible so that the money can revert back to the Service for future grants.

### **§ 84.45 How do I amend a proposal?**

Following procedures in 43 CFR 12.70, you must submit a signed original and two copies of the revised SF 424, the revised portion of the project statement if appropriate, and an explanation of the reason for the revision to the Regional Director (Federal Aid).

### **§ 84.46 What are the cost-sharing requirements?**

(a) Except for certain insular areas, the Federal share of an approved grant will not exceed 50 percent of approved costs incurred. However, the Federal share may be increased to 75 percent for coastal States that have established and are using a fund as defined in § 84.11. The Regions must certify the eligibility of the fund in order for the State to qualify for the 75 percent matching share.

(b) The following insular areas: American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands, have been exempted from the matching share, as provided in Pub. L. 95-134, amended by Pub. L. 95-348, Pub. L. 96-